

MARITIME SECURITY INITIATIVES

Briefing Paper
Prepared for the July 2003
Transportation Commission Meeting

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PURPOSE:

To provide an update on the U.S. Coast Guard Interim Final Rules implementing the Maritime Transportation Security Act of 2002.

ACTION/OUTCOME:

This briefing is for information only. No action will be required of the Commission at this time.

BACKGROUND:

On July 1, 2003, the US Coast Guard issued comprehensive security regulations for the maritime industry. The Coast Guard is accepting comments on these rules through July 31. These interim final rules implement significant portions of the Maritime Transportation Security Act of 2002 (MTSA) signed by the President in November 2002 and became effective upon publication. The rules require vessel and facility operators to complete security assessments, develop security plans, and implement security measures and procedures, with full compliance by June 30, 2004.

Internationally, the International Ship and Port Facility (ISPS) Code was adopted by the International Maritime Organization in December 2002. This multilateral ship and port facility security standard requires all nations to develop port and ship security plans and is applicable to the WSF international route, with implementation required by no later than July 1, 2004.

DISCUSSION:

WSF will provide an overview of maritime security issues related to Washington State Ferries operations. Specifically, the briefing will cover the following topics:

- Application of the new security regulations.
The regulations apply broadly to the maritime industry in general, but focus on those maritime entities that may be involved in a transportation security incident. "Ferries operating in Puget Sound, Washington" and a facility that services vessels that carry more than 150 passengers are specifically listed as examples of vessels and facilities most directly impacted by the new regulations.

- Regulatory and compliance timelines.

The aggressive nature of the following timeline cannot be over stressed. The analysis, planning, development, and implementation of these comprehensive regulations is an enormous undertaking on an extremely tight timeline. The MTSA specifically excluded this regulatory initiative from normal administrative procedures and timeline in order to ensure the desired expedience.

July 1, 2003	<i>Temporary Interim Rules published; Effective date of regulations</i>
July 23, 2003	<i>Public Meeting in Washington, D.C.</i>
July 31, 2003	<i>Deadline for submission of written comments</i>
October 2003	<i>Projected publication of Final Rule</i>
November 2003	<i>Effective date of Final Rules (30 days from publication)</i>
Dec. 29, 2003	<i>Deadline for submission of security plans</i>
July 1, 2004	<i>International and domestic deadline for implementation of MTSA regulations & ISPS requirements</i>

- Applicable security measures.

The new security regulations cover the spectrum of maritime security. A few of the predominant elements include:

- **Increased threat = increased security**—Establishes three levels of security, allowing industry to increase and decrease measures based on threat conditions.
- **Security assessments and plans**—Requires owners and operators to assess the vulnerabilities and develop plans based on that assessment.
- **Security measures**—Accounting for varying security levels and other factors, requires implementation of measures such as passenger, vehicle, and baggage screening procedures; security patrols; establishing restricted areas; personnel identification procedures; access control measures; and/or installation of surveillance equipment. The requirements for this element will need clarification discussions with the Coast Guard.
- **Security personnel**—Requires designation of, and sets the requirements for, security officers for each vessel or facility, who are responsible for implementation of the security programs.
- **Training**—Requires training for security personnel, as well as training for all personnel so that they are ready and able to implement the security plan.
- **Alternative Security Programs/Equivalencies** – Provides flexibility and encourages innovation by allowing industry to submit, for Coast Guard approval, alternative security programs that provide a level of security equal to that required in the regulations.

- Issues of significance and/or importance.

- **Passenger and Vehicle Screening**—The regulations discuss passenger and vehicle screening for ferry vessels, but there are a number of statements in the regulations that require clarification from and discussion with the Coast Guard to determine the precise intent and application of the regulations for WSF. The regulatory specificity regarding the level of screening increases as the threat level increases.
- **Costs of Security for WSF**—A thorough and comprehensive estimation of costs of implementing the MTSA regulations will need to be developed. These estimates will need to be refined as a consequence of continuing dialogue with the Coast Guard as

WSF's security plan is shaped. The actual costs will likely not be known until the Coast Guard has approved the WSF security plan.

- **Recently Awarded Port Security Grants**—*On a related budget note, the recent \$9.4 million dollars in port security grants awarded to WSF were applied for in February 2003 and the grants were awarded prior to the issuance of the MTSA Interim Final Rule. There is no direct connection between the MTSA Interim Final Rule and the port security grants, but the grants will certainly support some of the elements of WSF's final security plan.*
- The WSF plan forward.

WSF has taken a number of action to position ourselves to effectively and efficiently address the sweeping nature of these new regulations:

 - **Compliance Team**—*WSF has formed a compliance team made up of senior vessel, terminal, and maritime operations personnel to analyze the regulations, work with the Coast Guard, perform the vessel and terminal assessments and draft vessel and terminal security plans for submission to the Coast Guard. This team is also analyzing the interim final rules for issues that WSF may wish to provide comments to the Coast Guard.*
 - **Policy Framework**—*WSF has dedicated a select team of directors to act as the policy committee, which will consider input from the compliance team and formulate the corporate strategy for final executive concurrence.*
 - **WSF Security Committee**—*The WSF CEO, together with the US Coast Guard Federal Maritime Security Coordinator and Chief of the Washington State Patrol constitute the principle members of the WSF Security Committee. This committee formed since shortly after September 11, 2001 will continue to be the working level body that attempts to resolve conflicts and establish a mutually acceptable approach to satisfying the requirements of the MTSA implementing regulations.*
 - **Commission Updates**—*WSF makes a commitment to keep the Commission informed as we progress and as the implications of the requirements become more clear.*

RECOMMENDATION:

N/A.

For further information, contact Mike Thorne, CEO, Washington State Ferries at 206-515-3401.